

ForumCiv's investment policy

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| Approved by | The Board of ForumCiv |
| Adoption date | 2017-10-18 |
| Recent approval date | 2020-12-14 |
| Period of validity | Annual review |
| Responsible | Head of Finance |
| Published | Intranet and web |

1. Purpose

This investment policy sets out the conditions for the management of ForumCiv’s equity.

2. Management organisation

The Board decides on this policy and reviews it annually to gauge the need for amendment. It is the responsibility of the head of the Finance Department to ensure that capital is allocated in accordance with the policy and to keep the board regularly updated on the value of the investments.

3. The aim of asset management

The aim of asset management at ForumCiv is for participations, which are to comply with our statutes and the ethical guidelines given in this policy, to achieve good long-term capital growth. The necessary liquidity shall be available for the day-to-day running of the organisation over and above these investments.

Equity is to constitute between 25% and 50% of total project volume, excluding administrated grants. This will safeguard ForumCiv’s long-term undertakings and enable the organisation to wind down operations in a dignified manner in the event of a severe reduction in grant or fundraising revenues.

4. Ethical guidelines

Investments are to be made with due and proper respect to ethical and environmental issues. This means that ForumCiv only invests in businesses that have issued explicit ethical and sustainability (environmental, financial and social) criteria, and that are judged to be sufficiently transparent.

All investments are to observe the United Nations Principles for Responsible Investments (UNPRI), Socially Responsible Investment policy (SRI policy) and the environmental, human rights and labour law declarations and conventions signed by Sweden. Investments in companies operating in the arms, tobacco, alcohol, gambling and pornography industries are also to be avoided.

Businesses with a prominent profile in the environment/climate, human rights and labour issues are to be favoured to the extent that is possible and relevant as regards risk, asset class and yield requirement.

5. Permitted asset classes and allocation of assets managed

ForumCiv only permits investments in the financial assets given below and aims to obtain a good spread of risk. The allocation is to provide a low risk return and enable compliance with the ethical rules. The organisation’s assets may be invested within the following parameters:

| Class | Normal | Min | Max |
|----------------------|--------|-----|-----|
| Long interest rates | 55% | 40% | 70% |
| Short interest rates | 35% | 20% | 50% |

| | | | |
|----------|-----|----|-----|
| Equities | 10% | 0% | 25% |
|----------|-----|----|-----|

Securities may only be traded through Swedish banks or securities brokers under the supervision of the Swedish Financial Supervisory Authority, or overseas banks or securities brokers subject under the supervision of a similar authority.

ForumCiv may not raise loans.

6. Securities received as a donation or gift

If ForumCiv receives individual securities or immovable/moveable property by way of gift or donation, reinvestment in accordance with this policy is to be effected at the earliest possible opportunity. If the gift or donation is tied to conditions or the like that obstruct the application of this policy, it shall be declined.

7. Management evaluation

The head of the Finance Department has responsibility for the day-to-day evaluation of asset management and the manager(s) used. This evaluation is to ascertain goal fulfilment, management effectiveness and compliance with the ethical guidelines.

For the long-term portfolio ForumCiv defines a comparing Portfolio/ Benchmark based on pre-selected index.

Comparison portfolios will be used both for evaluating the efficiency of the management and as a basis for portfolio analysis regarding risk and return.

With a view to evaluate the long-term efficiency of the management ForumCiv will, as far as possible maintain the benchmark index over time

8. Reporting

The external manager is required to draft a monthly report on the performance of the portfolio, including holdings, market value, transactions and current return for the period. The manager shall also produce an annual list of investments for every new calendar year.

Appendix I

Benchmark proposal 2016-10-19

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|---|---|
| Short-term interest-bearing investments | OMRX T-bill |
| Long-term interest-bearing investments | OMRX Total Bond Merril Lynch EMU Corporate Bonds index |
| Swedish shares, (funds) | OMXSPI |
| Global shares, (funds) | MSCI World net return MSCI index emerging markets |